

**Bureau of International Labor Affairs**  
**Arnold Levine**  
**Deputy Under Secretary**  
**FY 2006 Testimony before the**  
**House Appropriations Subcommittee on Labor, Health and Human Services,**  
**and Education**

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to present to you the Fiscal Year 2006 appropriation request for the Bureau of International Labor Affairs (ILAB). This budget was developed with careful consideration of all of the realities now facing our country, including the need to utilize available resources as efficiently and effectively as possible and reduce the federal budget deficit.

Our budget request of \$12.4 million for Fiscal Year 2006 will support an authorized level of 95 full-time equivalent employees, the same as in 2005, and allow ILAB to conduct high-priority research and analysis, develop international labor policy and advocate for improved adherence to international labor standards. It will allow the Bureau to fulfill the Department's responsibility to advance the Administration's foreign policy priorities in the field of international labor, including efforts to promote free trade; carry out research to fulfill the reporting requirements of the Trade and Development Act of 2000 and Trade Act of 2002; and manage our on-going international cooperation projects, aimed at promoting core labor standards and eliminating exploitive child labor.

ILAB will continue to represent the Department in acting together with other Executive Branch agencies to advance the interests of the United States in the field of international labor; assist in developing the President's free trade agenda; assist the U.S. Trade Representative (USTR) in international negotiations, particularly the labor provisions of trade agreements; and represent the United States before international bodies. In addition, the Bureau has been working closely with other federal agencies such as the Department of State, the U.S. Agency for International Development (USAID), and USTR to design assistance programs to help ensure compliance with the labor provisions of the Free Trade Agreements (FTAs). In this regard, DOL is looked upon as a leader by the Department of State and USAID for its expertise in the area of capacity building for labor ministries. We will continue to play an important advisory and advocacy role to those federal agencies with foreign assistance funds.

The President's ambitious trade agenda, which was made possible by the passage of the Trade Act of 2002, has provided ILAB with an important new challenge to focus its efforts on supporting the President's goal of expanding free trade. ILAB has already played a key role in the negotiations of the labor chapters of FTAs between the U.S. and Australia, Bahrain, Central America and the Dominican Republic, Chile, Morocco, and Singapore. The Bureau will continue to participate in the Administration's efforts on the negotiation of FTAs with the Andean countries, Oman, Panama, the South African Customs Union (South Africa, Botswana, Lesotho, Namibia and Swaziland), Thailand, and the United Arab Emirates.

ILAB's responsibilities under the Trade Act of 2002 include conducting research related to each of the proposed FTAs. The Executive Branch is required to submit to Congress a report on the economic impact of each FTA on American workers, worker rights, and the laws governing exploitative child labor in each FTA country. ILAB will continue to conduct such research and analysis and likewise will maintain a significant role in the implementation of other labor provisions in U.S. trade laws, including the Generalized System of Preferences and trade preference programs such as the African Growth and Opportunity Act and the Caribbean Basin Trade Preferences Act.

ILAB will continue to administer U.S. Government responsibilities under the North American Agreement on Labor Cooperation (NAALC), often referred to as the NAFTA labor supplemental agreement. It will also continue to be responsible for the U.S. representation on the NAALC's trilateral Commission for Labor Cooperation. ILAB will also serve as the point of contact for cooperative activities called for under our more recent free trade agreements.

A central part of ILAB's mission has been to represent the U.S. Government at the International Labor Organization and on the Employment, Labor and Social Affairs Committee of the Organization for Economic Cooperation and Development and it will continue to serve these important functions. ILAB will also continue representing the U.S. Government in the labor components of the G-8, the Asia-Pacific Economic

Cooperation (APEC), and the US-EU Working Group on Employment and Labor-Related Issues.

Furthermore, in FY2006 ILAB will also administer the on-going technical assistance projects amounting to over \$400 million that were funded in previous fiscal years. We will also coordinate the direct application of the Department's extensive expertise to help our trading partners' ability to strengthen labor laws and their implementation. We will do this through our international visitors' program and selective in-country training and workshops.

I want to once again thank you for the opportunity to appear before the committee. I would be pleased to address any questions you may have regarding our agency's submission.